
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1031 Reengrossed

2016 Regular Session

Chad Brown

Abstract: Allows domestic insurers to invest in the stock of a Real Estate Investment Trust (REIT).

Present law allows any domestic life insurer to invest in shares of capital stock listed on a national securities exchange and in the securities of a solvent corporation with the following exceptions:

- (1) Corporations engaged solely in the business of owning and operating real estate.
- (2) Corporations having substantially all of its assets invested in the shares of those corporations.

Proposed law repeals those exceptions.

Present law allows a domestic life insurer to invest up to five percent of its admitted assets in the shares or securities of a REIT whose stock is listed on the New York Stock Exchange or the American Stock Exchange.

Proposed law retains present law and additionally allows the domestic life insurer to invest in a REIT domiciled in Louisiana whose stock is not listed on the New York Stock Exchange.

Proposed law deletes references to the American Stock Exchange contained in present law.

With respect to domestic insurers, proposed law allows an insurer to invest in shares of capital stock listed on a national securities exchange, bonds, securities, or other evidences of indebtedness of any solvent corporation with the following exceptions:

- (1) Corporations engaged solely in the business of owning and operating real estate.
- (2) Corporations having substantially all of its assets invested in the shares of those corporations.

Proposed law repeals those exceptions.

Present law allows the domestic insurer to also invest in REIT stock whose stock is listed on the New York Stock Exchange or NASDAQ.

Proposed law allows the insurer to invest in a REIT domiciled in Louisiana.

Proposed law does not otherwise change the limitations on investments by domestic insurers contained in present law.

(Amends R.S. 22:584(C)(1) and (D)(1)(a))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Delete references in present law to investments in stocks listed on the American Stock Exchange.
2. Make technical changes.